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Singapore Free Trade Agreement becomes first U.S.- Asian FTA

May 6th 2003, President Bush signed an agreement with Singapore that will allow for the advancement of the existing commercial relationship between our nations. The details of the agreement specify that **tariffs on all U.S. goods will be immediately removed**, and tariffs on goods coming to the U.S. from Singapore will be phased out in stages. Along with the elimination of tariffs on goods, **service industries** will also benefit from the FTA by receiving treatment equal to that given to Singapore's own service suppliers. To find out more, visit the U.S. Trade Representative website at www.ustr.gov/new/fta/singapore.htm.

UPCOMING TRADE EVENT

Does your product require an **export license**? Are you sure you're following all legal procedures for exporting goods overseas? This month **Wendy Hauser** of the Export Enforcement Field Office in Chicago will be in the Greater Des Moines Partnership Building to present the ins and outs of **export enforcement** and how to **prevent legal obstacles** by practicing good export procedures. The event is tentatively set for October 16th, 2003 at 8am. For further details, call the Iowa Export Assistance Center at (515) 286-4936, or email Abby Freeman in our office at abby.freeman@mail.doc.gov.

Growing Prospect for U.S. Exports: **United Arab Emirates** maintains consistent growth and high demand for U.S. goods.

U.S. Commercial Service representatives in the U.A.E are forecasting further growth for the nation's economy in the coming months, offering up unique opportunities for U.S. firms. While turmoil in many countries in the Middle East creates barriers and uncertainties for U.S. firms looking to do business in these regions, **experts consider the U.A.E. to be uncommonly safe with no history of terrorism or political instability**. Some top industries that may benefit from trade with the U.A.E. include **medical equipment exporters, and educational and training companies** looking to form partnerships in this region. For more information on the U.A.E. and opportunities for trade and investment, visit www.export.gov/marketresearch.html.

U.S. Signs Trade Agreement with Chile: What does this mean to you?

On June 6th 2003, U.S. Trade Representative Robert B. Zoellick and Chilean Foreign Minister Soledad Alvear signed the historic **first free trade agreement between the U.S. and a South American country**. With the signing of this agreement, more than **85 percent of bilateral trade in industrial and consumer products becomes immediately tariff-free**. Not only does the agreement open new doors for workers and manufacturers, but it will also offer **opportunities for U.S. farmers**. Over a four-year period, approximately three-fourths of all U.S. and Chilean agricultural goods will no longer be subject to tariffs. Find out more the details of the U.S.- Chile Free Trade Agreement at <http://www.fas.usda.gov/itp/chile/us-chile.html>.



Iraq Reconstruction Efforts

In the spring of 2003, the **Iraq Reconstruction Taskforce** was created within the International Trade Administration to help U.S. companies participate in the economic rebuilding of Iraq. Much information is now available on finding and receiving contracts through the U.S. government for goods needed in the Iraq reconstruction efforts. Go to www.export.gov/iraq for links to several of these information sites including the **U.S. Agency for International Development, the Coalition Provisional Authority, the U.S. Foreign Commercial Service, the USDA Foreign Agricultural Service, the U.S. Army Corps of Engineers, the U.S. Department of State, the United Nations** and many more.

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Jordan Trade Opportunities

As the rebuilding of Iraq remains at the forefront of international news, various events and trade related opportunities are arising. The middle-eastern country of Jordan presents itself as one of the primary gateways to business in Iraq and the middle-eastern region. Two major events are approaching offering a chance for U.S. businesses to familiarize themselves with this market and take advantage of trade opportunities. The first event, **American-Jordanian Exhibition and Conference (AJEX)**, will be held **October 21–23, 2003** in Amman, Jordan. The event will be sponsored by the **Iraqi-American Chamber of Commerce and Industry** and will be host to 300-400 Iraqi business people interested in working with U.S. firms. The second event, the **“Rebuilding Iraq 2004”** expo will also take place in Amman, Jordan and will be held **January 11-13, 2004**. This workshop and exhibition will target such industries as construction, agriculture and food, IT and computers, healthcare, environmental systems, airports, and port equipment, education and schools, oil and gas recovery, power generation and life style products. For more information on these and other events, contact your local Export Assistance Center at (515) 288-8614.

New Fraud Scheme

A new international fraud operation has recently been detected among many U.S. firms **exporting their products overseas**. The scheme consists of the following: The overseas buyer purchases a specified shipment of goods and pays by **“Certified Check.”** The buyer overpays for the amount of goods received and asks that the excess amount of the check be transferred to the company’s account. The “Certified Check”, however, is discovered to be a forgery, and the U.S. firm is now out the amount of the shipment plus the excess dollar amount the check is written for. Please be cautious when doing business overseas, and follow all necessary procedures to ensure the validity of the company or organization that you are dealing with.

Credit Card Usage for International Sales: Hidden Risks

As more and more U.S. companies begin to expand globally, competitors in international markets are seeking newer, faster, cheaper and less complex methods of expediting international transactions. One such method becoming more and more widespread is the use of credit cards to purchase goods from other countries. For U.S. exporters, this method is greatly reducing the headaches and high costs of the export paper trail. Some exporters, however, are quickly becoming aware of the great risks associated with credit card transactions.

While outward appearances of cheaper sales and faster payments create considerable appeal to exporters, in many cases the risks associated with the possibility of losses incurred above and beyond the standard fees could steer merchants away from this method of payment. In attempting to cut costs, many exporters have recently discovered that the use of stolen or fraudulent credit card numbers in international purchases is not an uncommon practice. In many cases, an overseas buyer requests a shipment of goods from a U.S. exporter and offers to pay for the purchase by credit card. After the transaction takes place and the shipment is made, the bank informs the exporter that the card used by the overseas buyer is fraudulent. At this time, the amount of the purchase is removed from the exporters account, and the shipment of goods may or may not be recovered. While this type of activity is illegal in most countries, it is quite difficult to clear up, and often times large banks feel that it is not worth the time or cost associated with finding and convicting offenders to recover minimal losses. With that said, exporters simply must find better ways to protect themselves against such risks.

Here are a few important tips for credit card export payments:

- Do not ship within 72 hours. This will provide ample time to process the card and ensure that it has not been determined stolen. If you are not willing to wait the full 72 hours for the processing, you can always ship to the address on record if the buyer is a returning customer.
- If shipping overseas, it is wise to deal with a shipping company that uses tracking numbers.
- Only use credit cards for buyers known accounts with solid records of payment.
- Understand your contract with your credit card supplier.

The use of credit cards in international transactions is similar to open account transactions due to the risks associated with each. In both cases, there is no guarantee that payment will be received. In order to justify the risk associated with each method of payment, a great deal of trust must exist between the two parties. If you are considering accepting credit cards as payment for export transactions, remember these helpful hints, and most importantly, know your customer.